

Government Information Technology Agency

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DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC	FY 2009 JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	21.0	21.0	21.0	21.0
Personal Services	1,582,400	1,663,700	1,663,700	1,663,700
Employee Related Expenditures	384,700	453,900	455,600	455,600
Professional and Outside Services	140,600	240,000	240,000	240,000
Travel - In State	8,100	10,100	10,100	10,100
Travel - Out of State	16,200	15,600	15,600	15,600
Other Operating Expenditures	224,900	341,600	341,300	344,100
Equipment	37,000	29,500	29,500	29,500
OPERATING SUBTOTAL	2,393,900	2,754,400	2,755,800	2,758,600
SPECIAL LINE ITEMS				
E-Health Initiative	0	1,500,000	1,500,000	1,500,000
AGENCY TOTAL	2,393,900	4,254,400	4,255,800	4,258,600

FUND SOURCES				
General Fund	0	1,500,000	1,500,000	1,500,000
<u>Other Appropriated Funds</u>				
Information Technology Fund	2,393,900	2,754,400	2,755,800	2,758,600
SUBTOTAL - Other Appropriated Funds	2,393,900	2,754,400	2,755,800	2,758,600
SUBTOTAL - Appropriated Funds	2,393,900	4,254,400	4,255,800	4,258,600
TOTAL - ALL SOURCES	2,393,900	4,254,400	4,255,800	4,258,600

CHANGE IN FUNDING SUMMARY	FY 2007 to FY 2008 JLBC		FY 2007 to FY 2009 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	0	0.0%	0	0.0%
Other Appropriated Funds	1,400	0.1%	4,200	0.2%
Total Appropriated Funds	1,400	0.0%	4,200	0.1%
Total - All Sources	1,400	0.0%	4,200	0.1%

AGENCY DESCRIPTION — The Government Information Technology Agency (GITA) is responsible for statewide information technology planning, coordinating, oversight, and consulting. Information technology projects with development costs over \$25,000 cannot proceed without GITA approval. GITA may suspend expenditures on failing projects. GITA also provides staff support to the Information Technology Authorization Committee (ITAC). Information technology projects with development costs over \$1 million cannot proceed without ITAC approval. The GITA Information Technology Fund derives revenue from a 0.15% charge on state agency payrolls.

PERFORMANCE MEASURES	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 JLBC
• % of information technology (IT) projects completed on schedule	--	88	94	96
• % of information technology (IT) projects completed within budget	--	83	95	96
• % of agency IT managers rating GITA performance as excellent	--	56	NA	60

Comments: The agency did not submit information for any measure labeled as "NA". Due to low survey response rate in prior years, the agency did not administer a survey for FY 2006 results.

CHANGES FROM FY 2007

Operating Budget

The JLBC includes \$2,755,800 and 21 FTE Positions from the Information Technology Fund for the operating budget in FY 2008 and \$2,758,600 in FY 2009. These amounts would fund the following adjustments:

		<u>FY 2008</u>	<u>FY 2009</u>
Standard Changes	OF	\$1,400	\$4,200
The JLBC includes an increase of \$1,400 from the Information Technology Fund in FY 2008 and an increase of \$4,200 in FY 2009 for standard changes.			

Special Line Items

E-Health Initiative

The JLBC includes \$1,500,000 from the General Fund for the E-Health Initiative in FY 2008 and FY 2009. These amounts are unchanged from FY 2007. Monies in this line item provide information technology grants for rural health care providers.

During FY 2007, the first year of this program, the agency received 21 applications requesting approximately \$5 million in total funding. The agency expects to distribute the \$1.5 million in grants in December 2006. Some of the potential projects include electronic medical records, electronic imaging, and electronic prescribing.

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FORMAT — Lump Sum by Agency

STATUTORY CHANGES

The JLBC would include the following statutory changes:

1. Continuation of session law that requires GITA, after executing but before implementing any new web portal contract in FY 2008, to submit the fiscal provisions of the contract to JLBC for its review. GITA is in the process of soliciting a new web portal contract. Final execution of the contract may not occur until FY 2008.

2. Amending A.R.S. § 41-3521 to require Information Technology Authorization Committee (ITAC) approval of project changes and contract amendments with associated costs that exceed \$1,000,000. Currently, ITAC only provides initial approval of projects and does not provide additional reviews of project changes or contract amendments.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

State Web Portal Fund

Laws 2006, Chapter 346 created the State Web Portal Fund with the intent of providing legislative oversight over the expenditure of money generated from the web portal. The web portal's primary source of revenue comes from the sale of motor vehicle records. Prior to the creation of this new fund, web portal revenue was deposited into the contractor's private account. According to the existing web portal contract, if the state fails to use the deposited money for maintaining existing projects or funding new projects, it is considered a non-refundable credit balance, and is retained by the contractor.

To prevent losing the approximately \$3 million credit balance, GITA signed a contract extension through October 2007. While this extension allows the state to utilize the \$3 million balance, GITA has determined that it prevents money from being deposited into the Web Portal Fund. It is expected that money will begin to be deposited into this fund under the new web portal contract, which is expected to be signed by October 2007. Continuation of a session law would require GITA to submit the fiscal provisions of the new contract to the JLBC for review.

During FY 2007, all receipts into the Web Portal Fund were appropriated subject to JLBC review. As this was a short-term measure intended to cover the transition to a new contract during FY 2007, it is not continued in FY 2008 and FY 2009. Given that the fund is subject to appropriation by the Legislature, GITA should propose an expenditure plan for the Legislature to consider; otherwise GITA will not be able to use any monies in the fund.

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Information Technology Fund (GTA2152/A.R.S. § 41-3505)		Appropriated
Source of Revenue: A pro rata share, currently 0.15% of total payroll, charged to all budget units subject to GITA or ITAC oversight.		
Purpose of Fund: To support GITA and ITAC in their performance of statewide information technology planning, oversight, coordination, and consulting.		
Funds Expended	2,393,900	2,754,400
Year-End Fund Balance	926,100	824,200
State Web Portal Fund (A.R.S. § 41-3506)		Appropriated
Source of Revenue: Grants, donations, and web portal revenues, including any fees collected by an independent contractor collected in agreement for providing services on the web portal.		
Purpose of Fund: To improve or expand the state's information technology services and projects, including the common web portal.		
Funds Expended	0	0
Year-End Fund Balance	0	0